

Message Text

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C O N F I D E N T I A L SECTION 1 OF 2 VIENNA 4587

FOR IO INSPECTOR GENERAL ONLY

USIAEA

E.O. 11652: GDS
TAGS: ASIG
SUBJECT: POST MEMORANDUM

1. FOLLOWING IS THE POST MEMORANDUM FROM U.S. MISSION TO IAEA. IT WAS APPROVED IN DRAFT BY AMBASSADOR STONE PRIOR TO HIS DEPARTURE. IT IS REQUESTED THAT THE INSPECTORS REVIEW THIS MEMORANDUM WITH AMBASSADOR TAPE IN ORDER TO INCORPORATE ANY CHANGES OR ADDITIONS HE MAY WISH TO MAKE.

2. STATE OF RELATIONS WITH IAEA. WITH THE GROWTH OF NUCLEAR PROGRAMS IN OTHER IAEA MEMBER STATES AND THEIR INCREASING INTEREST AND ACTIVITY IN THE IAEA, U.S. INFLUENCE, WHICH HAS BEEN SO PROMINENT SINCE THE ORGANIZATION'S INCEPTION, HAS INEVITABLY DIMINISHED. THIS IS PARTICULARLY TRUE WITH REGARD TO EXTRANEIOUS POLITICAL ISSUES WHICH APPEAR TO IMPINGE INCREASINGLY UPON THE AGENCY.

3. WHILE THE DIRECTOR GENERAL STATES THAT THERE HAVE BEEN ONLY A HANDFUL OF INSTANCES WHEN HE HAS ACTED CONTRARY TO THE DESIRES OF THE U.S., HE DID THAT MOST RECENTLY ON THE OCCASION OF THE APPOINTMENT OF A JAPANESE NATIONAL TO A DIRECTOR-LEVEL POST IN THE DEPARTMENT OF SAFEGUARDS. THIS
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MIGHT NOT BE SO BAD IF HE WERE PREPARED TO STAND UP TO THE SOVIET UNION IN A COMPARABLE MANNER AND, WHILE HE HAS DONE SO ON FILLING POSTS OF LESSER IMPORTANCE, WE HAVE SOME CONCERN ON THIS SCORE.

4. AS FAR AS CONTACTS ARE CONCERNED, THE MISSION HAS RAPID AND EASY ACCESS AT ALL LEVELS OF THE AGENCY SECRETARIAT

AND CONTINUES TO EXERT A GREATER INFLUENCE OVER THE AGENCY THAN ANY OTHER SINGLE MEMBER STATE.

5. ISSUES AND PROBLEMS. THE MAJOR LIMITATION ON EFFECTIVE U.S. SUPPORT FOR THE IAEA IS CAUSED BY THE LACK OF FOCUS OF U.S. GOVERNMENT INTEREST IN THE AGENCY. THIS PROBLEM WAS BROUGHT TO THE DEPARTMENT'S ATTENTION BY MISSION MESSAGE OF MAY 1976 IAEA VIENNA 3659, CAPTIONED QUOTE WHO'S IN CHARGE? UNQUOTE. WITH THE CHANGE IN ADMINISTRATIONS, SOME STEPS HAVE BEEN TAKEN TO ALLEVIATE THIS SITUATION, BY THE APPOINTMENT OF DR. JOSEPH NYE AS DEPUTY TO THE UNDER SECRETARY FOR SECURITY ASSISTANCE, WITH RESPONSIBILITY FOR NON-PROLIFERATION. BACKSTOPPING EFFORTS IN THE DEPARTMENT ARE HINDERED, HOWEVER, BY THE FACT THAT OES AS THE PRINCIPAL BUREAU IN THE DEPARTMENT CONCERNED WITH IAEA'S SUBSTANTIVE ACTIVITIES, REMAINS UNDERSTAFFED.

6. A POLITICAL ISSUE CONFRONTING THE FORTHCOMING BOARD OF GOVERNORS MEETING BEGINNING JUNE 14, INVOLVES THE CONTINUED DESIGNATION OF SOUTH AFRICA AS A MEMBER OF THE BOARD, DENIAL OF WHICH WILL CLEARLY BE IN VIOLATION OF THE AGENCY STATUTE. AT THIS JUNCTURE, IT APPEARS THAT THE POLITICS OF THE SITUATION WILL NOT PERMIT THE BOARD TO DESIGNATE SOUTH AFRICA AS THE IAEA MEMBER FROM THE REGION OF AFRICA MOST ADVANCED IN THE TECHNOLOGY OF ATOMIC ENERGY.

7. ANOTHER PROPOSAL BEFORE THE BOARD CALLS FOR THE BOARD'S EXPANSION FROM 34 TO 39 MEMBERS IN ORDER TO PROVIDE QUOTE EQUITABLE REPRESENTATION UNQUOTE FOR THE AREA OF AFRICA AND CONFIDENTIAL

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THE AREA OF MIDDLE EAST AND SOUTH ASIA. WE INTEND TO RESIST ANY EXPANSION AND, IF UNSUCCESSFUL, TO ATTEMPT TO LIMIT ADDITIONAL SEATS TO A MINIMUM, IN ORDER TO ASSURE THE CONTINUED EFFECTIVENESS OF THE BOARD.

8. ATTEMPTS TO DEAL WITH SUCH POLITICAL ISSUES ARE HAMPERED BY USG ACTIVITIES BILATERALLY AND IN OTHER MULTILATERAL CONTEXTS, DIRECTED AT NON-PROLIFERATION OBJECTIVES, WHICH HAVE GENERATED SUSPICION AND RESENTMENT AMONG OTHER MEMBER STATES OF IAEA. THOSE STATES ARE THUS MORE SUSCEPTIBLE TO EFFORTS TO CREATE VOTING BLOCS IN OPPOSITION TO USG OBJECTIVES IN IAEA.

9. SAFEGUARDS. THE PRINCIPAL U.S. POLICY INTEREST IN THE IAEA IS IN SEEING THAT THE ORGANIZATION EFFICIENTLY AND EFFECTIVELY DISCHARGES ITS RESPONSIBILITIES FOR THE SAFEGUARDING OF NUCLEAR FACILITIES AND MATERIAL. THE

MISSION HAS HAD AN UPHILL STRUGGLE IN THIS REGARD BUT FEELS THAT SUBSTANTIAL IMPROVEMENT HAS ALREADY TAKEN PLACE THOUGH THERE REMAINS A LONG WAY TO GO. THE RECENTLY INITIATED U.S. PROGRAM FOR SUPPORT OF IAEA SAFEGUARDS (3.8 MILLION DOLLARS IN FY1977) SHOULD BE A MAJOR CONTRIBUTION TOWARD OUR OBJECTIVES.

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10. TECHNICAL ASSISTANCE. THE DEVELOPING COUNTRIES REMAIN PRINCIPALLY INTERESTED IN THE IAEA FOR THE TECHNICAL ASSISTANCE IN THE FIELD OF ATOMIC ENERGY

WHICH THEY ARE ABLE TO OBTAIN FROM IT. THIS HAS PROMPTED THEM TO CLAIM THAT AN APPROXIMATELY EQUAL AMOUNT OF RESOURCES SHOULD BE DEVOTED TO TECHNICAL ASSISTANCE AS IS DEVOTED TO SAFEGUARDS. AN INCREASING PROBLEM IN THE RATE OF DELIVERY OF TECHNICAL ASSISTANCE HAS POINTED UP THE NEED TO REEXAMINE ALL ASPECTS OF THE TECHNICAL ASSISTANCE PROGRAM. EFFORTS ARE UNDER WAY TO DO THIS AND A U.S. EXPERT WILL PARTICIPATE AS ONE MEMBER OF A FIVE-MAN GROUP (FROM BOTH RECIPIENTS AND DONORS) TO ANALYZE THE CURRENT PROGRAM AND MAKE RECOMMENDATIONS.

11. IAEA STAFFING. THE MISSION CONTINUES TO MAKE EVERY EFFORT TO ASSURE THAT QUALIFIED AMERICANS ARE NOMINATED TO FILL POSTS IN THE AGENCY WITH AN OBJECTIVE OF MAINTAINING THE LEVEL OF AMERICAN PROFESSIONAL EMPLOYMENT IN THE IAEA TO AROUND 20 PERCENT. THIS REQUIRES CONSTANT EFFORT BOTH ON BEHALF OF ERDA

AND THE MISSION. POSSIBLE SUCCESSOR TO THE DIRECTOR
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GENERAL, WHO IS EXPECTED TO BE REAPPOINTED SHORTLY FOR A FIFTH FOUR-YEAR TERM (AT THE END OF WHICH HE WILL BE 70), WILL NEED TO BE IDENTIFIED AND THE PROCESS OF CONSULTATIONS WITH OTHER MEMBER STATES UNDERTAKEN. OTHER SENIOR MEMBERS OF THE SECRETARIAT, INCLUDING DEP. DIR. GEN. FOR SAFEGUARDS, ARE ALSO CLOSE TO OR PAST NORMAL RETIREMENT AGE AND SUCCESSORS WILL NEED TO BE FOUND.

12. FUEL CYCLE TECHNOLOGY. THE IAEA SECRETARIAT HAS BEEN GOING ON THE ASSUMPTION THAT IN ORDER TO MEET THE PERCEIVED WORLDWIDE ENERGY NEEDS GAP, IT WILL BE ESSENTIAL TO RELY ON THE USE OF PLUTONIUM AND BREEDER REACTORS. THIS ASSUMPTION IS CURRENTLY AT ODDS WITH THOSE OF THE USG AND CONTINUING EFFORTS WILL BE NECESSARY TO RECONCILE THE AGENCY'S ACTIVITIES WITH USG POLICIES.

13. INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM

(IFCE). DESPITE THE SECRETARIAT'S ASSUMPTION NOTED ABOVE, THE DG HAS COMMITTED HIMSELF TO PROVIDE FULL IAEA SUPPORT FOR THE U.S.-PROPOSED INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM, A PROJECT WHICH WILL INEVITABLY IMPINGE ON THE ACTIVITY OF THE MISSION TO THE EXTENT THAT THE SECRETARIAT UNDERTAKES SPECIFIC TASKS UNDER THE PROGRAM.

14. MISSION STAFFING. MISSION HAS PROPOSED A STAFF INCREASE OF ONE OFFICER AND ONE SECRETARIAL POSITION IN ADDITION TO THE DETAILING OF AN OFFICER FROM THE BROOKHAVEN NATIONAL LABORATORY TO ASSIST WITH THE IMPLEMENTATION OF THE SAFEGUARDS SUPPORT PROGRAM. THESE REQUESTS REPRESENTS THE ABSOLUTE MINIMUM IN ORDER FOR THE MISSION TO EFFECTIVELY DISCHARGE ITS ANTICIPATED RESPONSIBILITIES. IT IS CLEAR THAT THE CONTINUALLY INCREASING FOCUS ON NON-PROLIFERATION ACTIVITIES, WILL PLACE A SUBSTANTIALLY INCREASED BURDEN ON THE
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MISSION.

15. EVALUATION OF ACCOMPLISHMENT OF PROGRAM OBJECTIVES.

PERSISTENT ACTIVITY BY THE MISSION HAS RESULTED IN SOME

PROGRESS TOWARDS MORE EFFECTIVE SAFEGUARDS OPERATIONS.
AT U.S. INSISTENCE MORE INFORMATION IS BECOMING AVAILABLE
FROM THE SECRETARIAT ABOUT ITS SAFEGUARDS OPERATION.
THIS WILL ENABLE BOARD MEMBERS, INCLUDING THE U.S.,
TO ASSESS MORE EFFECTIVELY THE NEEDS AND CAPABILITIES
OF IAEA SAFEGUARDS. ALSO AS THE RESULT OF
U.S. EFFORTS, MORE TECHNOLOGY IS BEING UTILIZED IN THE
SAFEGUARDS SYSTEM. THE NEED FOR FURTHER IMPROVEMENT
REMAINS AND WE ARE PARTICULARLY ANXIOUS TO ASSURE THAT
THE IAEA HAS THE WILL AND CAPACITY TO CARRY OUT INDEPENDENT
VERIFICATION IN ALL ITS SAFEGUARDING ACTIVITIES. AT THE
MOMENT, THIS IS AN ISSUE BETWEEN SOME NON-NUCLEAR-
WEAPON MEMBER STATES OF EURATOM AND THE AGENCY. THE

MISSION WAS PARTICULARLY GRATIFIED TO SEE STATE 124488
WHICH CLEARLY ESTABLISHES THE PRINCIPLE THAT THE U.S.
SUPPORTS THE CONCEPT OF INDEPENDENT VERIFICATION
BY THE IAEA IN IMPLEMENTING THE EURATOM-IAEA SAFEGUARDS
AGREEMENT.

16. THROUGH CONSTANT EFFORT BY THE MISSION AND ERDA
WE HAVE SUCCEEDED IN MAINTAINING AN AMERICAN PRESENCE
IN THE AGENCY OF CLOSE TO 20 PERCENT. PRESENTLY IT IS
ABOUT 18 PERCENT. ERDA, WHICH HAS PRIMARY RESPONSIBILITY
FOR RECRUITING U.S. CANDIDATES, HAS RECENTLY REORGANIZED
THIS FUNCTION IN AN EFFORT TO STRENGTHEN THAT ACTIVITY.
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